

December 16, 2008

**MEANS TEST AND GEOGRAPHIC-BASED MEANS TEST THRESHOLDS FOR
CALENDAR YEAR 2009**

1. PURPOSE: This Veterans Health Administration (VHA) Directive provides the Means Test Thresholds, Medicare Deductible Rate, and Child Income Exclusion for calendar year 2009. In addition, this Directive provides an Internet link to the United States (U.S.) Housing and Urban Development's (HUD) income limits for Fiscal Year (FY) 2008 for use by VHA in calendar year 2009. *NOTE: The new means test, net worth, and Geographic-based Means Test (GMT) threshold rates are effective January 1, 2009.*

2. BACKGROUND

a. Title 38 United States Code (U.S.C.) Section 1722(c) requires that on January 1 of each year, the Secretary of Veterans Affairs increase the means test threshold amounts by the same percentage the maximum rates of pension benefits were increased under 38 U.S.C. Section 5312(a) during the preceding calendar year. Under the provisions of 38 U.S.C. Section 5312, the Department of Veterans Affairs (VA) is required to increase the benefit rates and income limitations in the pension and parents' Dependency and Indemnity Compensation (DIC) Program by the same percentage and effective date as increases in the benefit amounts payable under Title II of the Social Security Act.

b. The Veterans Benefits Administration (VBA) announced that effective December 1, 2008, veterans' benefits will receive an increase of 5.8 percent.

c. Public Law 107-135, the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001, directed VA to implement a GMT (see 38 U.S.C. Section 1705(a)(7)). VA uses HUD's "low-income" geographic-based income limits as the thresholds for VA's GMT. *NOTE: The Health Eligibility Center (HEC) controls the GMT for VA; as such, HEC will install Patch IVMB*2.0*938 before January 1, 2009.* A veteran's income from the previous year is compared with the appropriate GMT threshold for the previous fiscal year to determine if the veteran should be placed in priority category 7. *NOTE: The "low income" geographic-based income thresholds for FY 2008 can be found at:*
<http://www.va.gov/healtheligibility/Library/pubs/GMTIncomeThresholds/>

d. **Combat Veterans.** Veterans who qualify under Title 38 U.S.C. 1710(e)(1)(D) as combat veterans are not required to report their financial information for conditions potentially related to their combat service. However, unless otherwise exempted, combat veterans must either provide their financial information or decline to provide their financial information and agree to make applicable co-payments for hospital and outpatient care that VA determines to have resulted from a cause other than their combat service. *NOTE: While income disclosure by a recently discharged combat veteran is not a requirement, this disclosure may permit VA to*

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determine if the veteran is eligible for additional benefits such as beneficiary travel reimbursement, cost-free medication and/or cost-free outpatient or hospital care for services unrelated to combat.

e. Definitions

(1) **Means Test Copay Exempt.** This refers to veterans with household income and/or a net worth below the VA National income threshold.

(2) **Means Test Copay Required.** This refers to veterans with household income and/or a net worth above the VA National income threshold and whose household income is above the geographically-based income threshold for their resident location.

(3) **GMT Copay Required.** For veterans who are not Means Test Copay Exempt or Required, "GMT Copay Required" refers to veterans whose household income and/or net worth is above the VA National income threshold, but whose household income is below the geographically-based income threshold for their resident location. **NOTE:** *A veteran's income, which is "below the geographically-based income threshold for their resident location," is not enough to place the veteran in a "GMT copay required" status. The GMT threshold must be above VA's National income threshold for this to apply.*

3. POLICY: It is VHA policy that all VA health care facilities must install patches DG*5.3*798, EAS*1.0*89, and IB*2.0*410 before January 1, 2009. **NOTE:** *Since the HEC controls the GMT for VA; HEC will install Patch IVMB*2.0*938 before January 1, 2009.*

4. ACTION

a. **Medical Facility Director.** Before January 1, 2009, each medical facility Director, or designee, is responsible of installing patches DG*5.3*798, EAS*1.0*89 and IB*2.0*410.

b. **Means Test Thresholds.** The following new Means Test Thresholds are effective January 1, 2009, through December 31, 2009:

(1) **Veterans with No Dependents**

(a) Below Means Test Threshold: \$29,402.

(b) Above Means Test Threshold: \$29,403.

(2) **Veterans with One Dependent**

(a) Below Means Test Threshold: \$35,284.

(b) Above Means Test Threshold: \$35,285.

(3) **Veterans with Two Dependents**

(a) Below Means Test Threshold: \$37,304.

(b) Above Means Test Threshold: \$37,305.

(4) **Veterans with Three Dependents**

(a) Below Means Test Threshold: \$39,324.

(b) Above Means Test Threshold: \$39,325.

(5) **Veterans with Four Dependents**

(a) Below Means Test Threshold: \$41,344.

(b) Above Means Test Threshold: \$41,345.

(6) **Veterans with Five Dependents**

(a) Below Means Test Threshold: \$43,364.

(b) Above Means Test Threshold: \$43,365.

c. **Dependent Threshold Amount Increase (above two dependents):** \$2,020.

d. **Child Income Exclusion:** \$9,350.

e. **Medicare Deductible:** \$1,068.

f. **Income and/or Asset threshold for Net Worth Development:** \$80,000.

g. **Maximum Annual Rate of Pension:** Base rate.

(1) The base rate for a single veteran with no dependents is \$11,830. **NOTE:** *The base rate alone is used to determine if certain veterans are subject to co-payments for Extended Care Services. The base rate plus increases for eligible dependents and for Aid and Attendance (A&A) and Housebound benefits (HB) is used to determine if certain veterans are exempt from co-payments for Outpatient Medication and to establish eligibility for Beneficiary Travel .*

(2) The base rate with one dependent is \$15,493.

(3) Add \$2,020 for each additional dependent.

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h. Pension plus A&A Rate:

- (1) The base rate for a single veteran with no dependents is \$19,736.
- (2) The base rate with one dependent is \$23,396
- (3) Add \$2,020 for each additional dependent.

i. Pension plus HB Rate:

- (1) The base rate for a single veteran with no dependents is \$14,457.
- (2) The base rate with one dependent is \$18,120.
- (3) Add \$2,020 for each additional dependent.

5. REFERENCES

- a. Title 38 U.S.C. Sections 1705(a) (7) and 1722.
- b. Title 38 Code of Federal Regulations (CFR) Sections 17.36(b)(7), 17.47(d), and 17.47(f).

6. FOLLOW-UP RESPONSIBILITY: The Chief Business Office (16) is responsible for the contents of this Directive. Questions may be addressed to (202) 461-1591.

7. RESCISSIONS: VHA Directive 2007-042 is rescinded. This VHA Directive expires December 31, 2010.

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